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April 11, 2013

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BAUCUS SEEKS MIDDLE GROUND ON BUDGET TO SPARK GROWTH, CREATE JOBS

Finance Chairman Says Budget Must Cut Debt Responsibly, Create Jobs, Support Economic Recovery

WASHINGTON – At a Senate Finance Committee hearing today with Treasury Secretary Jack Lew to examine the administration’s fiscal year 2014 budget, Chairman Max Baucus (D-Mont.) said the budget must cut the debt, create jobs and protect and invest in the nation’s priorities to solidify its economic future. Senator Baucus identified strengthening Social Security and Medicare, helping veterans find good-paying jobs, making the tax code simpler and fairer and continuing to bring down the deficit as his budgetary priorities. He said Congress and the administration must work together to reach a compromise solution that puts the nation on a sustainable fiscal path.

“There is still more work to be done to responsibly cut our debt in a way that doesn’t impede our economic recovery,” Senator Baucus said. **“The lackluster economic growth we’re seeing shows we must simplify the tax code. We need a pro-growth code that closes loopholes while giving America’s businesses the certainty they need to compete globally and plan and expand operations. Mr. Lew, you said you were willing to take on tax reform, and this committee will hold you to your word. It’s all about finding common ground so we can move forward together.”**

Senator Baucus said that as Congress addresses the fiscal challenges ahead, it must maintain a laser-like focus on creating jobs. He said it should look to replace the across-the-board spending cuts in the so-called “sequester” with more thoughtful cost-cutting measures, and he added that the budget should not make deep cuts to agriculture that threaten jobs in Montana and other rural states. He applauded the proposal in the administration’s budget that would make the tax credit he authored for hiring veterans permanent, providing a major boost to his fight against veterans unemployment.

Senator Baucus said the economy’s tepid growth shows the need to simplify the tax code in a manner that promotes growth, makes America’s businesses more competitive and gives them the certainty they need to invest and hire new workers. He added that the Finance Committee will continue its work on tax reform – it is meeting weekly to discuss the nuts and bolts of the tax code and develop a concrete reform plan – and that Secretary Lew must help move their effort forward.

Senator Baucus stressed that some of the revenue raised by tax reform should be used to cut taxes for families and help businesses create jobs, and some should be used to reduce the deficit.

With regard to Social Security, Senator Baucus said he was disappointed by the approach taken in the administration’s budget to curb benefits without asking wealthy Americans to chip in. He said any

changes to Social Security should be made in order to strengthen and preserve the program, not reduce the deficit.

Senator Baucus noted that significant progress has been made bringing down the deficit. Two recent budget-trimming laws, when combined with the savings from ending the wars in Afghanistan and Iraq, reduce federal deficits by nearly \$3.5 trillion over a decade. That level of savings will stabilize the nation's debt as a percentage of GDP for the next several years. Congress must work together, Senator Baucus said, to further reduce the deficit with a balanced plan that cuts the nation's debt responsibly and supports the economic recovery.

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